

CHRISTOPHER S. BOND, MISSOURI, CHAIRMAN

CONRAD R. BURNS, MONTANA
PAUL COVERDELL, GEORGIA
ROBERT F. BENNETT, UTAH
OLYMPIA J. SNOWE, MAINE
MICHAEL ENZI, WYOMING
PETER G. FITZGERALD, ILLINOIS
MIKE CRAPO, IDAHO
GEORGE V. VOINOVICH, OHIO
SPENCER ABRAHAM, MICHIGAN

JOHN F. KERRY, MASSACHUSETTS
CARL LEVIN, MICHIGAN
TOM HARKIN, IOWA
JOSEPH I. LIEBERMAN, CONNECTICUT
PAUL D. WELLSTONE, MINNESOTA
MAX CLELAND, GEORGIA
MARY LANDRIEU, LOUISIANA
JOHN EDWARDS, NORTH CAROLINA

United States Senate

COMMITTEE ON SMALL BUSINESS

WASHINGTON, DC 20510-6350

May 20, 1999

Fax #: 202/205-6928

Mr. Jere Glover
Chief Counsel for Advocacy
Small Business Administration
409 Third Street, SW
Suite 7800
Washington, D.C. 20416

Dear Mr. Glover:

On April 23, 1999, the General Accounting Office (GAO) provided me with an extensive report regarding the personnel practices at the Small Business Administration (SBA). That report, entitled "Small Business Administration: The Review of Selected Personnel Practices" (GAO Report), commented on a number of personnel-related issues at the SBA. In particular, I am both troubled and disappointed with the findings in that GAO Report regarding the employees within the Office of Advocacy (Office).

First and foremost, let me say that I am and will continue to be a strong supporter of the Office of Advocacy. Equally important is my commitment to ensuring and preserving the independence of the Office of Advocacy from influence by both the Congress and the Administration. For me, the mere suggestion of undue influence or the appearance of impropriety acts as a cloud over the Office of Advocacy and the work that it performs day in and day out on behalf of small businesses.

Until now, it was my belief that the special hiring authority provided by Federal law to the Chief Counsel for Advocacy ensured that the Office was free from undue political influence. Unfortunately, it appears that I was wrong.

The GAO's finding that Assistant Advocates and Regional Advocates hired by the Office of Advocacy share many of the attributes of Schedule C political appointees is alarming. The fact that Regional Advocates (appointees) are cleared by the White House personnel office — the same procedure followed for Schedule C political appointees — and are hired noncompetitively — again, the same as political appointees — is at best troubling. (See GAO Report at page 18-20).

Further bolstering its conclusion that senior Advocacy staff are more or less indistinguishable from political employees, the GAO reported that Regional Advocates travel several times each year to Washington, D.C. for official meetings — meetings that interestingly coincided with political briefings for Clinton Administration political appointees, both at the SBA and at the White House. In particular, the GAO investigation recited interviews with six of eight Regional Advocates who attended a White House political briefing. In fact, one Regional Advocate told the GAO that the

Mr. Jere Glover
Page 2

White House meeting "served as a morale booster" for political appointees. Also significant was the fact that six of the eight Regional Advocates interviewed as part of the GAO review stated they had direct ties to the Democratic party and/or to the Clinton Administration, having worked either on the Clinton-Gore 1992 presidential campaign or the 1996 reelection campaign.

The facts as discussed in the GAO Report cast the Office of Advocacy in a whole new light — one that had not been apparent until now. Let me take a moment and note that I will be unrelenting in my efforts to ensure the complete independence of the Office of Advocacy in all matters, at all times, for the continued benefit of all small businesses.

Regrettably, the GAO Report raises questions, concerns and suspicions regarding the independence of the Office of Advocacy. Has there been a time when the Office of Advocacy did not pursue a matter as vigorously as it might have were it not for direct or indirect political influence? Prior to receipt of the GAO Report, my response was a resounding "No." But now, a question mark arises.

In an effort to strengthen the Office of Advocacy, and to reassure all current and future small businesses relying upon the work of the Office of Advocacy, I intend to introduce legislation that will set forth Congress' intent that the Office of Advocacy be independent and free from political influence or any suggestion of such influence for the future.

Since entering politics in the early 1970's, I have and will continue to believe that helping small businesses is a bipartisan effort. However, I will also continue to believe that the Office of Advocacy was not created as a haven for former campaign workers and other political appointees to attend White House briefings. To believe otherwise is not in the best interest of the small businesses, which I represent.

Enclosed is a copy of the GAO Report, please review it fully and carefully. Thereafter, please advise me of the actions you will take to remove those concerns raised by the GAO Report and this letter.

Thank you in advance for your cooperation, and I look forward to working with you to address this very important issue

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Bond", written in a cursive style.

Christopher S. Bond
Chairman

Enclosure